

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
FRANCHISE GROUP, <i>et al.</i> , ¹)	Case No. 24-12480 (JTD)
)	
Debtors.)	(Jointly Administered)
)	
)	Adversary No. 24-50237
)	
FRANCHISE GROUP, <i>et al.</i> , ²)	
)	
Plaintiffs,)	
)	
BRIAN GALE, MARK NOBLE,)	
TERRY PHILIPPAS, LAWRENCE BASS,)	
and JOHN DOES 1-20,)	
)	
Defendants.)	
)	

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home and Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing, LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

² The Plaintiffs in this adversary case are the Debtors listed in footnote one.

**DEBTORS' MOTION FOR A PRELIMINARY INJUNCTION EXTENDING THE
AUTOMATIC STAY PURSUANT TO SECTIONS 105(a) AND 362(a) OF THE
BANKRUPTCY CODE**

The debtors and debtors-in-possession in the above-captioned cases (collectively, the “**Debtors**”), by and through their undersigned counsel, respectfully represent in support of this motion (this “**Motion**”) and in support of their Complaint (the “**Complaint**”), seeking entry of an order in substantially the form annexed hereto as **Exhibit A** (the “**Proposed Order**”):

RELIEF REQUESTED

1. Pursuant to Federal Rules of Bankruptcy Procedure 7001 and 7065, and 11 U.S.C. §§ 105(a) and 362(a), the Debtors request entry of the Proposed Order providing for (i) enforcement of the automatic stay; (ii) extension of the automatic stay under section 362(a) of the Bankruptcy Code; and (iii) injunctive relief under section 105(a) of the Bankruptcy Code and/or Bankruptcy Rule 7065, to enjoin, for the duration of the bankruptcy cases (the “**Injunction Period**”), the defendants in the above-captioned cases from asserting claims, commencing or continuing actions, and/or from otherwise attempting to exercise remedies against Andrew M. Laurence (“**Mr. Laurence**”) in his official capacity as President, Chief Executive Officer, or Director of certain of the Debtors, because such actions threaten to interfere with and impair the administration of the Debtors’ reorganization efforts.³

³ Andrew Laurence is the CEO and President of the following Debtors: Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), B. Riley Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group, Inc. (1876), Franchise Group New Holdco, LLC (0444), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), Franchise Group Intermediate B, LLC (7836), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323). Mr. Laurence is the CEO of Franchise Group Newco S, LLC (1814).

JURISDICTION AND VENUE

2. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(b), and the *Amended Standing Order of Reference* from the United States District Court for the District Court of Delaware, dated February 29, 2012, because this matter arises in, under, and is related to a pending bankruptcy case. This adversary proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (G), and (O). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors consent to the entry of a final judgment or order with respect to this motion if it is determined that this Court would lack Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED AND BASIS THEREFOR

4. The Debtors have filed, and are filing contemporaneously herewith, as applicable (i) the Adversary Complaint [Docket No. 1], (ii) the Declaration Of David Orlofsky In Support Of Debtors’ Motion For A Preliminary Injunction Extending The Automatic Stay Pursuant To Sections 105(a) And 362(a) Of The Bankruptcy Code, (iii) the Declaration Of Stuart R. Lombardi In Support Of Debtors’ Motion For A Preliminary Injunction Extending The Automatic Stay Pursuant To Sections 105(a) And 362(a) Of The Bankruptcy Code, and (iv) a memorandum of law in support of this Motion (the “**Memorandum of Law**”), all of which provide details of the factual and legal bases for the requested relief. The *Declaration Of David Orlofsky In Support Of Debtors’ Chapter 11 Petitions And First Day Pleadings* [Docket No. 15] (the “**First Day Declaration**”) provides additional factual bases for the relief requested herein.

RESERVATION OF RIGHTS

5. Nothing contained herein is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors, or (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim.

6. WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order: (i) granting this Motion and the relief requested herein; (ii) entering a preliminary injunction following a hearing; and (iii) granting such further relief as this Court deems just and proper.

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Dated: December 11, 2024
Wilmington, Delaware

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